

CONTACT FOR MEDIA: Roger Snell, communications director (502) 564-6098

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Insurance roundup nets 14 workers' comp arrests

FRANKFORT, Ky. - State insurance fraud investigators and police plan to arrest or serve criminal summonses today to 14 people suspected of workers' compensation violations, Insurance Commissioner George Nichols III announced.

The roundup began this morning and was continuing statewide in several cities, including Elizabethtown, Fort Thomas, Lexington, Louisville, and Owensboro.

The Department of Insurance alleges that more than \$250,000 in workers' compensation benefits was paid to these individuals and that the total exposure to employers for these claims may have exceeded \$650,000 if undetected.

The statewide sweep, named "Operation April Showers," results from a five-month investigation by the Insurance Fraud Investigation Division, headed by Director J. Joseph Cohen who also is chairman of the national anti-fraud task force of the National Association of Insurance Commissioners. Kentucky State Police and local police assisted today.

In one case, a 66-year-old Louisa truck driver allegedly continued working for the same employer while receiving total disability benefits from the company's insurance. He received the largest amount of workers' compensation benefits in dispute today, more than \$175,000 over an eight-year period. The employer faces unrelated charges.

In another example, a 26-year-old Louisville man claimed he broke his wrist falling off a ladder at work while co-workers reported he allegedly fell off a fence trying to steal safety cones.

Twelve of the cases involve felony charges. The suspects range in age from 22 to 66, including an employer of a small business, a claims examiner at an insurance company, a school bus driver, and coal miner.

Costs of insurance fraud are passed on to legitimate consumers. Estimates of insurance fraud are staggering, with estimates of fraud costing the public hundreds of millions of dollars each year in Kentucky.

If you suspect someone of insurance fraud, please contact the Kentucky Department of Insurance's consumer hotline at 800-595-6053 or the workers' compensation fraud hotline at 800-554-8601.

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Note: Specific details, including names of those arrested and details of the charges, will be provided upon request later this afternoon, as soon as the arrests and criminal summonses are concluded.

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Roger Snell

Director of Communications

Kentucky Department of Insurance

(502) 564-6098

(502) 564-2669 (fax)

roger.snell@ky.gov